

Exhibit 3

Lee Emerson e-mail to Feathers
re: organizational fee reimbursement
held by SEC and not disclosed
to the Court

3/16/2014

[Print](#) | [Close Window](#)**Subject:** Re: Operating Agreement, etc.**From:** lvemerson@comcast.net**Date:** Mon, Jun 21, 2010 6:57 am**To:** mark@sbcapital.com

I'll refax the email I sent Saturday. If I were you, I would not write potentially slanderous statements in an email, e.g. Stein and Luben's comment. The reason my investors are loyal to me is they know from experience that, when they listen to me and ask for their funds back, they have always received their principal in full. Those who have not listened to me have lost money. I can't force anyone to pay heed to my suggestion. Usually there would be one or two in the current Emerson Group in both Funds who did not request redemption. However, the requests were 100 percent unanimous as some of these investors who did not listen to my suggestion in the past have suffered losses.

Have you received the Gospich check from the court yet? Thanks, Lee

—— Original Message ——

From: mark@sbcapital.com

To: lvemerson@comcast.net

Sent: Sunday, June 20, 2010 10:51:59 PM GMT -06:00 US/Canada Central

Subject: RE: Operating Agreement, etc.

Lee I'm not aware of any emails that you sent last week; please resend.

Mark Feathers

President, **Small Business Capital**, Nationally Licensed SBA Lenders
CEO, SB Capital, Managing Member, **Investors Prime Fund**

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contract or agreement under the Uniform Electronic Transaction Act or any similar law. Thank you for your courtesy and cooperation.

----- Original Message -----
 Subject: Re: Operating Agreement, etc.
 From: lvemerson@comcast.net
 Date: Sat, June 19, 2010 2:26 pm
 To: mark@sbcapital.com

Mark, you must know that the information from April Anair you report to me is "hearsay" aka "Gossip" from another party, but also slanted by your own interpretation of what you may have or may not have heard. April is my friend, former neighbor, and investor. Any issues you want to discuss about me, and my association with you and your company, should be addressed directly to me.

To describe my protection of my investors as "wounded pride" is another of your backbiting techniques, that I suffered through during our face to face meetings, phone conversations and emails. No one who crosses you is exempt so I know I am included in the group. The foul language you attributed to Christine Corso when you told me in December 2009 she had been terminated was unnecessary. Again, heresay (gossip) and backbiting. I did not for one minute believe your disgusting story about Christine. She is a very bright, experience lady and a professional. Many of my investors were shocked to learn she was no longer with SB Capital as she was the one person on your staff they could count on when they had a question or wanted a statement for their retirement account.

Re your voting request. I have had my CPA review your request. Another CPA, who has not been available, but in New York completing audits for a company there, will be providing his input and evaluation of your voting requests Monday, June 21st. Once we have the 2nd opinion, we will decide the appropriate response to your request for a vote on Items #1 and # 2.

I encouraged you to change attorneys because I tired of your frequent complaints about Stein and Lubin's "excessive" fees and charges. As the Fund Manager, you have the power to change law firms/attorneys at any time you choose. **If approval of a majority of investors to hire new attorneys was required, it would be in the Operating Agreement, and its not.**

Further, your request for a vote of the investors to allow you to repay the Fund some amount of organizational and syndication expenses deducted from the Fund, is not necessary.

Per pages 18 and 19 of the Operating Agreement,

"10.4, Reimbursement of Manager for Certain Expenses. The Manager shall be reimbursed by the Company for all organizational, syndication and operating expenses incurred on behalf of the Company, including without limitation, out of pocket general and administrative expenses of the Company, accounting and audit fees, legal fees and expenses, postage, and preparation of reports to Members." You want to reimburse us money. Who would object?

The Operating Agreement does NOT contain any requirement of a majority vote of the investors to empower you to return to the Fund any of the expenses you have charged the Fund. It is simply your choice.

Your statement, "Do you want to slow down the redemptions" is typical of your ilk **Redemptions of our shares in SBC Fund have nothing to do with the outcome of your proposed voting on changes to the Operating Agreement.**

Your email reply avoids addressing any of the legitimate inquiries I emailed to you last week. Your constant use of inuendos, backbiting, and "second hand hearsay information" to avoid addressing the real issues does not work with me or my investors. We have the right to request the input of CPA's or any other professional when asked to vote. We also have the right to vote one way or the other or to abstain. **The right to vote in the USA is not and has never been compulsory. I believe that applies even to you.**

You continue to sidestep the real issues of nine causes of action against you prepared by Dan Ballesteros and Colleen Kelley. These are not fiction. You have created your own reality about your company and your two Funds. You attempt to use the "why are you so ungrateful approach after all I have done for you," while suggesting that my recommendations to my investors are without basis. Good try, but it doesn't work with the Emerson Group. They clearly understand who has their best interests at heart.

The Emerson Group is heartily in agreement that you complete redemption of our shares in both Funds at the earliest possible date. I have suggested to you several times that redeeming us as soon as possible allows you to move forward with SB Capital, unencumbered with hostile investors. If you want to get past "fielding constant calls, faxes, letters, emails, etc. threat of lawsuit, etc. from my group, redeem our shares and let us go.

I am faxing this email entire mail to you so you have a hard copy to which you may easily refer. Lee V. Emerson